

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

SUBJECT: Update on Federal Legislation

ITEM NUMBER: 5b

ATTACHMENT(S): 2

ACTION: X

MEETING DATE: December 5, 2002

INFORMATION:

PRESENTER: Ed Derman

POST ELECTION OUTLOOK

Following the GOP sweep of control of both the House and the Senate for the new Congress that will convene in January, the current Congress returns to a "lame duck" session to try to make some headway with the incomplete legislative business remaining from this year, including legislation to create a new Department of Homeland Security, legislation to ease the availability of terrorism insurance for real estate and businesses, and 11 appropriations measures necessary to keep the Federal Government operating in FY 2003 that began October 1.

Until Senator-elect Norman Coleman is sworn in in January, Dean Barkley, who was appointed by Minnesota Governor Jesse Ventura, will fill out the brief remaining term of the late Senator Paul Wellstone. Barkley will serve as an Independent, and the Democrats will remain in charge of the Senate for the time being. The GOP will take control once incoming Missouri Senator Jim Talent's election has been officially certified in December. While Senate GOP Floor Leader Trent Lott (R-Miss.) would like to have a short lame duck session by passing a continuing resolution to keep the Federal government operating at last year's level, the President asked him to try to finish the homeland security, terrorist insurance, and appropriations measures.

The GOP agenda for the upcoming Congress will include

- Making permanent the massive tax cut already passed in 2001, with the cost of such permanence totaling \$550 billion over the next 10 years
- Adopting another round of tax cuts intended to spur consumer spending and business investment
- Continuing the sharp increase in spending on homeland security on top of the huge increase in defense spending already adopted
- Funding a possible war with Iraq, which is expected to cost \$10 to \$15 billion per month
- Enacting a new Medicare prescription drug benefit, with the GOP plan estimated to cost approximately \$350 billion over 10 years.

Serious action to restore the long-term solvency of the Social Security system is not likely until after the 2004 elections.

Most importantly, the shift in party control of the Senate will mean a shift in committee chairmanships and in ability to set the legislative agenda. The perspective of the CalSTRS' federal counsel on the impact of these changes is included in the attached report.

IMPLEMENTATION OF THE SARBANES-OXLEY CORPORATE AND ACCOUNTING REFORM LEGISLATION

CalSTRS' federal counsel have been providing staff with regular written updates on the implementation by the SEC of various components of the Sarbanes-Oxley corporate and accounting reform legislation. Harvey Pitt resigned as chairman of the SEC and there is speculation on possible successors. Skills in law enforcement and Washington experience coupled with a good reputation on both sides of the Congressional aisle are said to be at the top of the list of desired credentials. William Webster, former Chairman of the newly established Public Company Accounting Oversight Board, has also recently resigned, leaving the new board without a leader. The first meeting of the new accounting oversight board was held in mid-November to begin organizing the board. There should be more to report in this area in the next update.

ELK HILLS COMPENSATION

CalSTRS received the fourth annual installment from the Federal Government of \$36 million of Elk Hills compensation, bringing the total Elk Hills compensation received to \$144 million. Funding for the fifth \$36 million installment for FY 2003 is incorporated in both the House and the Senate Interior Appropriations measures, which are caught in the legislative gridlock. The Interior Appropriations measure has passed the full House of Representatives and has been reported out to the Senate Floor by the Senate Appropriations Committee. Through much of September, the Senate debated the Interior Appropriations bill, which became bogged down by efforts to add controversial new provisions.

It is still unclear whether Congress will close out the lame duck session by passing a so-called "continuing resolution" which extends the status quo by funding existing programs at last year's level through February or March of 2003, with the appropriations legislation for the current fiscal year to be dealt with then, or instead will act on the pending appropriations bills. Since Elk Hills compensation historically has been made payable at the end of the fiscal year in question (actually the first day of the next fiscal year), the Elk Hills issue would be addressed in the wrap-up appropriations legislation in early 2003 under this continuing resolution scenario. CalSTRS federal counsel will provide further updates in the next report.

SUMMARY OF FEDERAL LEGISLATION

The last attachment is a summary of all federal legislation that contains provisions of interest to CalSTRS or plan members, and current status of the legislation in Congress.

Mr. Derman will provide a verbal update at the meeting.

**MEMORANDUM FOR
THE CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**

Washington Monthly Report

Post-Election Outlook

In the wake of the GOP sweep of control of both the House and the Senate for the new Congress that convenes in January, the current Congress returns to a “lame duck” session this week to try to make a dent in the pile of unfinished legislative business remaining from this year, including legislation to create a new Department of Homeland Security, legislation to ease the availability of terrorism insurance for real estate and businesses, and 11 appropriations measures necessary to keep the Federal Government operating in FY 2003 that began October 1.

No one is quite sure who will control the Senate during this lame duck session or what will happen. At least initially, control of the Senate will rest on the fortunes of the shortest Senate career in history, that of Dean “My 15 Minutes of Fame” Barkley, appointed by Minnesota Gov. Jesse Ventura to fill out the brief remaining term of the late Sen. Paul Wellstone (D-Minn.) until Sen. elect Norman Coleman is sworn in in January. Senator-for-the-moment Barkley has decided to be an Independent, leaving the Democrats in charge at least for the time being. Once incoming Missouri Senator Jim Talent’s election has been officially certified in about two weeks, the GOP would take control. While Senate GOP Floor Leader Trent Lott (R-Miss.) would like to have a short lame duck session, passing a continuing resolution to keep the Federal Government operating at last year’s level, the President asked him to try to finish the homeland security, terrorist insurance, and appropriations measures.

Come the New Year, the GOP will face the burden of full political accountability, controlling the Presidency and both Houses of Congress. No longer can the finger be pointed at the Democratically-controlled Senate as the reason for not enacting GOP initiatives. At the same time, the Senate GOP will now face the task of marshaling not only the simple majority of votes necessary to pass legislation, but more importantly the 60 votes that are necessary under Senate rules to take up legislation. As did the Republicans before them, the Democrats can be assured of exercising all of their prerogatives as the minority to throw hurdles in the way. The cat-herding chores have now shifted to the Republicans. It should be an interesting time.

For now, election sweep euphoria continues to shape the GOP agenda for the upcoming Congress: making permanent the massive tax cut already passed in 2001, with the cost of such permanence totaling \$550 billion over the next 10 years; adopting another round of tax cuts intended to spur consumer spending and business investment; continuing the sharp increase in spending on homeland security on top of the huge increase in defense spending already adopted; funding a possible war with Iraq to the tune of \$10-15 billion per month; enacting a new Medicare prescription drug benefit, with the GOP plan estimated to cost approximately \$350 billion over 10 years. At some point, the party of “fiscal responsibility” – indeed “fiscal austerity” – will have to confront the math. For now, GOP “spinners” are claiming that “deficits don’t matter.”

Serious action to restore the long-term solvency of the Social Security system is not likely until after the 2004 elections.

Most importantly, the shift in party control of the Senate will mean a shift in committee chairmanships and in ability to set the legislative agenda.

Senate Finance Committee

The Senate Finance Committee – which has principal jurisdiction over pension tax and regulatory issues affecting STRS – will now be chaired by Sen. Charles Grassley (R-Iowa). Sen. Grassley served as Chairman during the brief period of GOP control of the Senate prior to the switch of party affiliation by Sen. Jim Jeffords (R-Vt.).

Sen. Grassley has indicated that he will continue the long Finance Committee tradition of bipartisanship in the crafting of major legislation. Sen. Grassley, a former Chairman of the Senate Select Committee on Aging, has a deep interest and substantial expertise in pension issues and is likely to keep the Finance Committee active in the retirement area. Based on experience, he takes a sound and realistic approach to pension issues, showing sensitivity about practical concerns raised by imposing new mandates on pension plans. Since the election, Sen. Grassley has indicated that passage of the bipartisan pension security legislation reported out earlier this year by the Finance Committee will be one of his top priorities in the new Congress. In addition, unlike some of his GOP peers, Sen. Grassley strongly supports legislation to curtail corporate tax shelters and corporate inversions, and has indicated that passage of the bipartisan tax shelter and inversion legislation reported out by the Finance Committee earlier this year will be another top priority.

Senate Banking Committee

Another interesting venue should be the Senate Committee on Banking, Housing and Urban Affairs, where the Chairmanship will shift from Sen. Paul Sarbanes (D-Md.), the principal author of the landmark Sarbanes-Oxley corporate governance and accounting reform legislation, to Sen. Richard Shelby (R-Ala.).

Sen. Shelby, a fiscal and social conservative, has a strong streak of Southern populism. Unlike Sen. Phil Gramm (R-Tex.), his predecessor as top Republican on the Banking Committee who sought to block or dilute the Sarbanes-Oxley legislation at every turn through the process, Sen. Shelby sided with Chairman Sarbanes in voting the legislation out of Committee and was particularly vociferous in his support of the Senate Judiciary Committee's securities fraud litigation reform provisions that were added to the Sarbanes-Oxley legislation late in the process. Sen. Shelby's recognized legislative deal-making skills, along with his good working relationship with now ranking minority member Sarbanes, are expected to continue the Committee's ability to move legislation on a bipartisan basis.

Incoming Senate Banking Chairman Shelby has indicated that his top priorities will include restoration of investor confidence in the securities markets, oversight of implementation of the Sarbanes-Oxley legislation by the Securities and Exchange Commission and the new accounting oversight board, and protection of consumers' financial privacy. After being among the first on Capitol Hill to demand the resignation of SEC Chair Harvey Pitt, Sen. Shelby – whose Committee will vote on Pitt's replacement – has called for a new SEC Chair with securities law experience, credentials as a reformer, and independence from the White House. Sen. Shelby's populist plain-spokenness was evident in a recent press interview: "If the perception is that the market is tainted or rigged or that the people overseeing it are lap dogs for certain business or political interests, you'll never win back investor confidence." No wonder Wall Street and its lap dogs are uneasy about Sen. Shelby's impending Chairmanship.

Senate Health, Education, Labor and Pensions Committee

In perhaps the most dramatic shift in Chairmanships growing out of the election, the Chairmanship of the Senate Committee on Health, Education, Labor and Pensions will shift from Sen. Edward Kennedy (D-Mass.), a traditional liberal who doesn't mind being called one, to Sen. Judd Gregg (R-N.H.), a conservative.

However, Sen. Gregg, a former governor, has demonstrated the pragmatic deal-making skills necessary to shepherd legislation through to

enactment. Incoming Chairman Gregg's Committee has broad-ranging jurisdiction over all of the areas represented in its name. In the pension area, the Committee has jurisdiction over the ERISA side of the house and thus is not of direct interest to STRS. However, with Sen. Gregg's installation as Chairman, the pension security legislation that became bogged down in the Senate this year is expected to move through the Senate much more easily. The pension legislation had become bogged down by the difficulties of melding the bipartisan version reported by the Finance Committee with a more controversial version reported out on a party line vote by Chairman Kennedy's Committee. That hurdle to the pension legislation is likely to disappear in the new Congress.

Senate Commerce, Science and Transportation Committee

The Chairmanship of the Commerce, Science and Transportation Committee will shift from Sen. Ernest Hollings, who at age 80 with 36 years in the Senate was nonetheless the junior Senator from his State until this year's retirement of Strom Thurmond, to maverick Sen. John McCain (R-Ariz.). As the ranking minority member of the Committee, Sen. McCain has been an active supporter of the Committee's investigation of Enron, WorldCom, and other alleged cases of corporate malfeasance.

Senate Judiciary Committee

At the Judiciary Committee, the Chairmanship will transfer from liberal Senate veteran Sen. Patrick Leahy (D-Vt.) to conservative and experienced former Chairman Orrin Hatch (R-Utah), who has taken up song-writing and recording as an active sidelight with a broad repertoire ranging from religious songs to rap. Sales are expected to pick up.

Chairman Hatch is expected to focus his attention on judicial nominations and tort reform. Because of the high tech presence in Utah, the high tech community's ongoing effort to seek further "reforms" in class action securities litigation (e.g., easier removal to federal court) may be given attention.

Senate Appropriations Committee

On the appropriations front, Sen. Ted Stevens (R-Alaska) will return to the Chairmanship, with Sen. Robert Byrd (D-W.Va.) moving to ranking minority member. As you know, Sen. Feinstein, our Senate sponsor of the Elk Hills appropriation, has been a mid-level Member of the Appropriations Committee and serves on the Interior Appropriations Subcommittee that has jurisdiction over the Elk Hills issue. While Sen. Feinstein's shift to the minority will make our task on Elk Hills more difficult in the Senate, we have been in that position before during previous eras of GOP of the Senate and have managed to secure the necessary

appropriation of Elk Hills funding nonetheless. However, appropriation of the sixth Elk Hills installment due in FY '04 will be a more daunting task in the new Congress because under the terms of the settlement agreement with the Federal Government the sixth installment will be more than \$70 million, twice the level of the previously appropriated installments.

House of Representatives

On the House side, there will be little change in venues of interest to STRS. As expected, the Congressional redistricting in California simply strengthened the hold of incumbents on both sides of the aisle. Rep. Bill Thomas (R-Bakersfield), who has championed the Elk Hills appropriation and Medicare penalty relief issues for STRS, continues in the powerful position of Chairman of the House Ways and Means Committee. On the Democratic side, key STRS allies Reps. Bob Matsui (D-Sacramento) and Pete Stark (D-Ca.), both senior Members of the Ways and Means Committee, were easily re-elected.

Implementation of the Sarbanes-Oxley Corporate and Accounting Reform Legislation

We have been providing STRS staff with regular written updates on the implementation by the SEC of various components of the Sarbanes-Oxley corporate and accounting reform legislation.

The circus surrounding Harvey Pitt has been widely reported, and we need not pile on here, however tempting that prospect may be. He still doesn't get it – witness his speech to the Securities Industry Association. Rumors swirl around about possible successors. (In light of the lag between the time we write this and the time you actually receive it, we hesitate to pass along the speculation, particularly since the vetting process is likely to take awhile.) Skills in law enforcement and Washington experience coupled with a good reputation on both sides of the Congressional aisle are said to be at the top of the list of desired credentials.

With Pitt's resignation, that of his hand-picked Chief Accountant who collaborated in the William Webster snafu, and now Webster himself, the whole process can begin afresh. The first organizing meeting of the new accounting oversight board will be held this week, while background checks are still being conducted of its board members. We should have more to report on this front in the next Monthly Report.

Elk Hills Compensation

By now, STRS should have received payment from the Federal Government of the fourth annual \$36 million installment of Elk Hills compensation, bringing the total Elk Hills compensation received thus far to \$144 million.

Funding for the fifth \$36 million installment for FY 2003 is included in both the House and the Senate Interior Appropriations measures that are caught in the legislative gridlock. The Interior Appropriations measure has passed the full House of Representatives and has been reported out to the Senate Floor by the Senate Appropriations Committee. The Senate spent much of September debating the Interior Appropriations bill, which became bogged down by efforts to add controversial new provisions to provide further relief to drought-stricken farmers and to undertake logging on public lands to minimize forest fire danger.

At this point, it still is unclear whether Congress will ultimately close out the lame duck session by passing a so-called "continuing resolution" simply extending the status quo by funding existing programs at last year's level through February or March, 2003 with the appropriations legislation for the current fiscal year to be dealt with then, or instead will act on the pending appropriations bills. A continuing resolution would fund government expenses that arise during the period the resolution is in effect. Since Elk Hills compensation historically has been made payable at the end of the fiscal year in question (actually the first day of the next fiscal year), the Elk Hills issue would be addressed in the wrap-up appropriations legislation in early 2003 under this continuing resolution scenario. We will keep you apprised.

John S. Stanton
Hogan & Hartson L.L.P.

Washington, D.C.
November 12, 2002

STATUS OF FEDERAL LEGISLATION AFFECTING CalSTRS

CORPORATE GOVERNANCE

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
S. 2460 (Levin)	Senate Committee on Banking, Housing, and Urban Affairs	Would guarantee persons who invest in publicly held companies would receive accurate information about the financial condition of such companies so they can make fully informed investment decisions; would also increase the independence of the Financial Accounting Standards Board.

INVESTOR PROTECTION AND ACCOUNTING OVERSIGHT

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
* H.R. 3763 (Oxley)	Public Law 107-204	Would establish an accounting oversight board, promote greater independence of outside auditors and provide for reforms in corporate governance and financial disclosure.
S. 2004 (Dodd)	Senate Committee on Banking, Housing, and Urban Affairs	Would improve quality and transparency in financial reporting and independent audits and accounting services, to designate an Independent Public Accounting Board, enhance the standard-setting process for accounting practices, and improve Securities and Exchange Commission resources and oversight.
*S. 2673 (Sarbanes)	Incorporated into H.R. 3763 (P.L. 107-204)	Would establish an accounting oversight board, promote greater independence of outside auditors and provide for reforms in corporate governance and financial disclosure.

STATUS OF FEDERAL LEGISLATION AFFECTING CalSTRS

PENSION SECURITY

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
H.R. 2269 (Boehner)	Senate Committee on Finance	Would amend ERISA and the Internal Revenue Code to promote the provision of retirement investment advice to workers managing their retirement income assets.
H.R. 3657 (Miller)	House Subcommittee on Employer-Employee Relations	Would amend ERISA to provide for improved disclosure, diversification, account access, and accountability under individual account plans.
H.R. 3669 (Portman / Cardin)	Committee of the Whole House	Would amend the Internal Revenue Code to empower employees to control their retirement savings accounts through new diversification rights, new disclosure requirements, and new tax incentives for retirement education.
*H.R. 3762 (Boehner/ Thomas)	Senate Committee on Health, Education, Labor, and Pensions	Would amend ERISA and the Internal Revenue Code to provide additional protections to participants and beneficiaries in individual account plans from excessive investment in employer securities, would promote the provision of retirement investment advice to workers managing their retirement income assets, and would amend the Securities Exchange Act to prohibit insider trades during any suspension of the ability of plan participants or beneficiaries to direct investments away from equity securities of the plan sponsor.
H.R. 4931 (Portman)	Committee of the Whole Senate	Would make permanent the pension and individual retirement arrangement provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001.
H.R. 5553 (Portman)	Committee on Ways and Means and Committee on Government Reform	Would amend the Internal Revenue Code to preserve retirement security by accelerating increases in retirement plan contribution limits and by eliminating rules that force depletion of retirement savings.
H.R. 5558 (Thomas)	Committee of the Whole House	Would amend the Internal Revenue Code to accelerate the increases in contribution limits to retirement plans and to delay the required beginning date for distributions from qualified plans.

STATUS OF FEDERAL LEGISLATION AFFECTING CalSTRS

PENSION SECURITY (CONTINUED)

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
S. 1919 (Wellstone)	Senate Committee on Health, Education, Labor, and Pensions	Would amend ERISA to provide for improved disclosure, diversification, account access, and accountability under individual account plans.
S. 1971 (Grassley)	Committee of the Whole Senate	Would amend the Internal Revenue Code and ERISA to ensure that pension assets are adequately diversified and by providing workers with adequate access to, and information about, their pension plans.
* S. 1992 (Kennedy)	Committee of the Whole Senate	Would amend ERISA to improve diversification of plan assets for participants in individual account plans, and improve disclosure, account access, and accountability under individual account plans.
S. 2190 (Kerry)	Senate Committee on Finance	Would amend the Internal Revenue Code and ERISA to provide employees with greater control over assets in their pension accounts by providing them with better information about investment of the assets, new diversification rights, and new limitations on pension plan blackouts.

SECURITIES FRAUD LITIGATION

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
H.R. 5118 (Sensenbrenner)	Committee on the Judiciary	Would provide for enhanced penalties for accounting and auditing improprieties at publicly traded companies.
* S. 2010 (Leahy)	Senate Committee on the Judiciary Subcommittee on Crime and Drugs	Would provide for criminal prosecution of persons who alter or destroy evidence in certain Federal investigations or defraud investors of publicly traded securities, would disallow debts incurred in violation of securities fraud laws from being discharged in bankruptcy, and would protect whistleblowers against retaliation by their employers.

STATUS OF FEDERAL LEGISLATION AFFECTING CalSTRS

INTERNAL REVENUE CODE

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
H.R. 1368 (Saxton)	Committee on Ways and Means	Would amend the Internal Revenue Code to remove the requirement of a mandatory beginning date for distributions from individual retirement plans.
H.R. 5095 (Thomas)	Committee on Ways and Means	Would amend the Internal Revenue Code to improve and simplify compliance with the internal revenue laws.
S. 2119 (Grassley)	Committee of the Whole Senate	Would amend the Internal Revenue Code to provide for the tax treatment of inverted corporate entities and of transactions with such entities.

CONFIDENTIALITY OF SOCIAL SECURITY NUMBER

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
H.R. 220 (Paul)	House Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations	Would amend the Social Security Act and the Internal Revenue Code to protect the integrity and confidentiality of Social Security account numbers issued under such title, prohibit the establishment in the Federal Government of any uniform national identifying number, and prohibit federal agencies from imposing standards for identification of individuals on other agencies or persons.
H.R. 2036 (Shaw / Clay)	House Subcommittee on Financial Institutions and Consumer Credit	Would amend the Social Security Act to enhance privacy protections for individuals, and prevent fraudulent misuse of the Social Security account number.
S. 324 (Shelby)	Senate Committee on Banking, Housing, and Urban Affairs	Would amend the Gramm-Leach-Bliley Act, to prohibit the sale and purchase of the social security number of an individual by financial institutions, and include social security numbers in the definition of nonpublic personal information.
S. 451 (Nelson)	Senate Committee on Finance	Would establish civil and criminal penalties for the sale or purchase of a social security number.
S. 848 (Feinstein)	Committee on Finance Subcommittee on Social Security and Family Policy	Would prohibit the display, sale, or purchase of Social Security numbers, and would establish criminal penalties for misuse of Social Security numbers.
S. 1014 (Bunning)	Senate Committee on Finance	Would amend the Social Security Act to enhance privacy protections for individuals, and prevent fraudulent misuse of the Social Security account number.

STATUS OF FEDERAL LEGISLATION AFFECTING CalSTRS

SOCIAL SECURITY OFFSET MODIFICATIONS

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
H.R. 664 (Jefferson)	House Subcommittee on Social Security	Would amend the Social Security Act to provide that the reductions in Social Security benefits which are required in the case of spouses and surviving spouses who are also receiving certain government pensions shall be equal to the amount by which the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds \$1,200.
H.R. 848 (Sandlin)	House Subcommittee on Social Security	Would amend the Social Security Act to eliminate the Windfall Elimination Provision.
H.R. 1073 (Frank)	House Subcommittee on Social Security	Would amend the Social Security Act to restrict the application of the Windfall Elimination Provision to individuals whose combined monthly income from benefits under such title and other monthly periodic payments exceed \$2,000 and to provide for a graduated implementation of such provision on amounts above \$2,000.
H.R. 2462 (Brady)	House Committee on Ways and Means	Would amend the Internal Revenue Code to provide an exclusion from gross income for that portion of a governmental pension received by an individual which does not exceed the maximum benefits payable under the Social Security Act which could have been excluded from income for the taxable year.
H.R. 2638 (McKeon)	House Subcommittee on Social Security	Would amend the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provision.
S. 611 (Mikulski)	Senate Committee on Finance	Would amend the Social Security Act to provide that the reductions in Social Security benefits which are required in the case of spouses and surviving spouses who are also receiving certain government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds \$1,200, adjusted for inflation.
S. 1523 (Feinstein)	Senate Committee on Finance	Would amend the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provision.

STATUS OF FEDERAL LEGISLATION AFFECTING CalSTRS

INDIVIDUAL SOCIAL SECURITY ACCOUNTS

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
H.R. 3497 (Shaw)	House Committee on Ways and Means	Would amend the Social Security Act and the Internal Revenue Code to create personal Social Security guarantee accounts ensuring full benefits for all workers and their families.
H.R. 3535 (DeMint)	House Committee on Ways and Means	Would amend the Social Security Act and the Internal Revenue Code to create individual Social Security accounts ensuring full benefits for all workers and their families.

SOCIAL SECURITY ADMINISTRATIVE CHANGES

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
H.C.R. 120 (Green)	House Subcommittee on Social Security	Would express the sense of the Congress that Social Security reform measures should not force State and local government employees into Social Security coverage.
H.C.R. 229 (Graves)	House Subcommittee on Social Security	Would express the sense of the Congress that any reforms of the Social Security program not include mandatory coverage of State and local employees.
H.R. 4069 (Shaw)	Senate Finance Committee	Would amend the Social Security Act to provide for miscellaneous enhancements in Social Security benefits.
S. 2533 (Smith)	Senate Finance Committee	Would amend the Social Security Act to provide for miscellaneous enhancements in Social Security benefits.

MEDICARE

BILL/ SPONSOR	STATUS (11/12/02)	SUMMARY
H.R. 4954 (Johnson)	Committee of the Whole Senate	Would amend the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, and modernize and reform payments and the regulatory structure of the Medicare Program.